

**CALIFORNIA RESOURCES AGENCY  
COASTAL IMPACT ASSISTANCE PROGRAM  
PROJECT PROPOSAL FORM**

**County:** Santa Barbara County  
**Department:** Planning and Development, Energy Division  
**Prepared by:** Doug Anthony  
**Phone number:** (805) 568-2046  
**Address:** 30 E. Figueroa Street, Second Floor  
Santa Barbara, CA 93101-2522  
**E-mail:** doug@co.santa-barbara.ca.us  
**Title of project:** Change of Owner, Operator, Guarantor Ordinance  
**Project location:** Countywide  
**Total cost:** \$70,000  
**Funding request:** \$20,000

**MISSION**

*To ensure comprehensive and coordinated management, conservation and enhancement of California's ocean and coastal resources for their intrinsic value and for the benefit of current and future generations.*

**GOALS:** Four goals have been established by the State of California to achieve this mission.

**Goal 1: Stewardship.** To assess, conserve, and manage California's ocean and coastal resources and the ecosystem that supports those resources.

**Goal 2: Economic Sustainability.** To encourage environmentally sound, sustainable, and economically beneficial ocean and coastal resource development activities.

**Goal 3: Research, Education and Technology.** To advance research, educational programs, and technology developments to meet future needs and uses of coastal and ocean resources.

**Goal 4: Jurisdiction and Ownership.** To maximize California's interests in coastal watersheds, State Tidelands, the Territorial Sea, and the Exclusive Economic Zone.

**Project Summary:**

Santa Barbara County's Energy Division is the lead local agency charged with regulating those aspects of offshore oil and gas development that fall under County jurisdiction, such as onshore processing, storage, and transportation systems. Additionally, the Division routinely interacts with other regulatory agencies, including the Minerals Management Service, California Coastal Commission, California Department of Fish and Game, and California State Lands Commission to promote sound management of coastal and oceanic resources affected by offshore oil and gas leasing and development off the County's coast.

The Energy Division seeks \$20,000 in coastal impact assistance to augment efforts in completing a new local ordinance that sets forth requirements, procedures, review and approval processes, and findings. Both the U.S. Department of the Interior's Minerals Management Service and the California State Lands Commission have procedures that they follow to oversee the change of owner, operator, and other third-party guarantors of offshore facilities used to develop oil and gas. The County of Santa Barbara proposes to develop similar codified procedures to oversee changes in owner, operator, and other guarantors for the onshore facilities that support offshore oil and gas development. Key issues include continued safe operations of such facilities, sufficient financial guarantees for abandonment of these facilities upon their termination, sufficient financial guarantees to cover onshore oil spills and other types of accidents that cause environmental damage, and continued compliance with all County laws and permit requirements.

The requested \$20,000 in augments a current grant from the California Coastal Resources Grant Program to develop such procedures. A draft ordinance has been developed and initially heard by the County's Planning Commission. The \$20,000 will fund additional refinements to the ordinance and additional hearings for adoption. Additional efforts will be devoted to determining the amount of financial responsibility necessary for these onshore facilities and the best instruments for guaranteeing financial responsibility.

This project meets the authorized use described in section (e)(6) of H.R. 5548, "mitigating impacts of Outer Continental Shelf activities through funding of ... (B) other public service needs intended to mitigate the environmental effects of Outer Continental Shelf activities."

**Consistency with Mission and Goals:**

This project assists the County and other regulatory agencies involved in the environmental review process of oil development offshore Santa Barbara County in managing oceanic and coastal resources in a comprehensive and coordinated fashion. We place it under Goal 2: Economic Sustainability.

**Estimated Project Budget:**

| <b>Line Item</b>                         | <b>Estimated Expense</b> |
|--|--------------------------|
| Staff salaries (wages + fringe benefits) | \$13,000                 |
| Contractor                               | 1,000                    |
| Noticing/Publications                    | 500                      |
| Workshops and Hearings                   | 500                      |
| County Counsel                           | 5,000                    |
|  |                          |
| <b>TOTAL</b>                             | <b>\$20,000</b>          |

The County has secured a \$45,000 grant from the California Resources Agency's Coastal Resource Grant Program and \$5,000 from the County's General Fund. The requested CIAP funding augments this effort.

**Anticipated Project Schedule:**

We anticipate this project to last no more than two years upon receipt of CIAP funds.

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Santa Barbara, CA 93101-2522  
**E-mail:** doug@co.santa-barbara.ca.us  
**Title of project:** Oil and Gas Legislation, Rulemaking, and Intergovernmental  
Coordination  
**Project location:** Countywide  
**Total cost:** \$50,000  
**Funding request:** \$50,000

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**Goal 3: Research, Education and Technology.** To advance research, educational programs, and technology developments to meet future needs and uses of coastal and ocean resources.

**Goal 4: Jurisdiction and Ownership.** To maximize California's interests in coastal watersheds, State Tidelands, the Territorial Sea, and the Exclusive Economic Zone.

## Project Summary:

Santa Barbara County's Energy Division is the lead local agency charged with regulating those aspects of offshore oil and gas development that fall under County jurisdiction, such as onshore processing, storage, and transportation systems. Additionally, the Division routinely interacts with other regulatory agencies, including the Minerals Management Service, California Coastal Commission, and California State Lands Commission to promote sound management of coastal and oceanic resources affected by offshore oil and gas leasing and development off the County's coast.

One of the Energy Division's essential roles is tracking and commenting on legislation and rulemaking that affect offshore oil and gas development and its onshore supporting infrastructure (e.g., tracking of the Conservation and Reinvestment Act). The Division also works with federal and state governmental agencies, including the Minerals Management Service, National Oceanic and Atmospheric Administration, California Coastal Commission and California State Lands Commission, to review and comment on program, plans and permits that they prepare for offshore oil and gas development (e.g., MMS 5-year leasing program and renewal of Exploration Plans). All these legislative, rulemaking, and intergovernmental activities are not fee reimbursed.

The Division seeks \$50,000 to augment the efforts described above. This project directly meets the authorized use of funds described in section (e)(6) of H.R. 5548; specifically, "mitigating impacts of Outer Continental Shelf activities through funding of ... (B) other public service needs intended to mitigate the environmental effects of Outer Continental Shelf activities." The ability to track and comment on pending legislation, rulemaking, and intergovernmental programs, plans and permits ensure that the federal and state governments hear from affected local communities in a timely and comprehensive manner prior to making decisions.

## Consistency with Mission and Goals:

This project primarily falls under Goal No. 1: Stewardship.

## Estimated Project Budget:

| Line Item                                | Estimated Expense |
|--|-------------------|
| Staff salaries (wages + fringe benefits) | \$44,000          |
| Travel*                                  | 6,000             |
| <b>TOTAL</b>                             | <b>\$50,000</b>   |

\* Ranges from motor pool expenses to attend regional meetings to air, hotel, and per diem costs for travel to Sacramento and Washington, D.C.

**Anticipated Project Schedule:**

We anticipate this project to last three years, commencing upon receipt of Coastal Impacts Assistance funds or authorization to commence the project, whichever occurs sooner.

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**Address:** 30 E. Figueroa Street, Second Floor  
Santa Barbara, CA 93101-2522  
**E-mail:** doug@co.santa-barbara.ca.us  
**Title of project:** Oil Transportation Policies  
**Project location:** Countywide  
**Total cost:** \$100,000  
**Funding request:** \$50,000

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**Goal 4: Jurisdiction and Ownership.** To maximize California's interests in coastal watersheds, State Tidelands, the Territorial Sea, and the Exclusive Economic Zone.

## **Project Summary:**

Santa Barbara County's Energy Division is the lead local agency charged with regulating those aspects of offshore oil and gas development that fall under County jurisdiction, such as onshore processing, storage, and transportation systems. Additionally, the Division routinely interacts with other regulatory agencies, including the Minerals Management Service, California Coastal Commission, and California State Lands Commission to promote sound management of coastal and oceanic resources affected by offshore oil and gas leasing and development off the County's coast.

The Energy Division seeks \$50,000 in coastal impact assistance to augment efforts in updating policies of its General Plan and Local Coastal Program regarding transportation of offshore oil and gas. The mode by which offshore oil is transported from the County to refining centers has long been controversial. Several studies conclude that shipment via pipeline is the environmentally superior mode of transportation compared to marine tanker or barge, rail, or highway. Existing policies were formulated in the early 1980s when marine tankers were the prevalent and industry-preferred mode of transportation. Since then, several changes have occurred to the transportation systems, including construction of significant pipeline capacity, new safety requirements (Oil Pollution Act of 1990) that change the economics of marine transportation, and improved pipeline technology. The County proposes to amend its Oil Transportation Policies to reflect these changes as well as update projections on transportation needs of oil produced from inactive leases. The requested funds would augment an existing grant received from the California Coastal Resource Grant Program.

Improving policies that promote transportation of locally produced offshore oil via the environmentally superior mode of transportation meets the authorized use described in section (e)(6) of H.R. 5548, "mitigating impacts of Outer Continental Shelf activities through funding of ... (B) other public service needs intended to mitigate the environmental effects of Outer Continental Shelf activities."

## **Consistency with Mission and Goals:**

This project promotes the stated mission by seeking LCP policies that promote the environmentally superior mode of transporting offshore oil, via pipeline, from point of production and processing to refining centers. We place it under Goal 2: Economic Sustainability.

## **Estimated Project Budget:**

| <b>Line Item</b>                         | <b>Estimated Expense</b> |
|--|--------------------------|
| Staff salaries (wages + fringe benefits) | \$ 85,200                |
| Contractor                               | 10,000                   |
| Noticing/Publications                    | 1,300                    |
| Workshops and Hearings                   | 2,500                    |
| County Counsel                           | 2,000                    |



|              |                  |
|--------------|------------------|
|              |                  |
| <b>TOTAL</b> | <b>\$100,000</b> |

The County has secured the additional \$50,000 necessary to complete this project, including funds from its Oil Transportation trust and funds from a Coastal Resource Grant Program, awarded by the Resources Agency. The project is ongoing and the requested CIAP funding augments this effort.

**Anticipated Project Schedule:**

We anticipate this project to last no more than one year upon receipt of CIAP funds.

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**E-mail:** doug@co.santa-barbara.ca.us  
**Title of project:** Oil Spill Environmental Thresholds  
**Project location:** Countywide  
**Total cost:** \$50,000  
**Funding request:** \$15,000

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## **Project Summary:**

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The Energy Division seeks \$15,000 in coastal impact assistance to augment efforts in drafting new oil spill thresholds. These thresholds are essential tools to determine the significance of impacts to marine and terrestrial water quality and biology, recreation and tourism as a result of an offshore or onshore oil spill. These thresholds would be applied during environmental review of offshore oil and gas development, including onshore infrastructure that supports such development. Previous thresholds are outdated and inadequate. Being based solely on the probability and size of potential spills, previous thresholds lack a spatial element. Consequently, all spills of equivalent or similar size are treated equally, even if one is located next to a highly sensitive wetland and the other is located miles seaward of the coast. Additionally, the previous thresholds lack a direct calculation for determining the extent of impact to specific coastal or inland resources, including coastal recreation, coastal tourism, marine, coastal, or inland biology. Lastly, they are not designed to address many situations of oil spills in coastal areas.

This project meets the authorized use described in section (e)(6) of H.R. 5548, "mitigating impacts of Outer Continental Shelf activities through funding of ... (B) other public service needs intended to mitigate the environmental effects of Outer Continental Shelf activities."

## **Consistency with Mission and Goals:**

This project assists the County and other regulatory agencies involved in the environmental review process of oil development offshore Santa Barbara County in managing oceanic and coastal resources in a comprehensive and coordinated fashion. Updated environmental thresholds are essential to determining significant adverse effects to the environment, resulting from offshore oil development, as well as for examining the viability of alternatives to proposed projects and effective mitigation. We place it under Goal 2: Economic Sustainability.

**Estimated Project Budget:**

The County has secured a \$30,000 grant from the California Resources Agency's Coastal Resource Grant Program and \$5,000 from the County's General Fund. The requested CIAP funding augments this effort.

| <b>Line Item</b>                                | <b>Estimated Expense</b> |
|---|--------------------------|
| Staff salaries (wages + fringe benefits) (CIAP) | \$35,900                 |
| Contractor                                      | 7,500                    |
| Noticing/Publications                           | 1,300                    |
| Supplies  | 800                      |
| Workshops and Hearings                          | 2,500                    |
| County Counsel                                  | 2,000                    |
|   |                          |
| <b>TOTAL</b>                                    | <b>\$50,000</b>          |

**Anticipated Project Schedule:**

We anticipate this project to last no more than one year upon receipt of CIAP funds.

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Santa Barbara, CA 93101-2522  
**E-mail:** doug@co.santa-barbara.ca.us  
**Title of project:** Offshore Oil and Gas Public Information and Website  
**Project location:** Countywide  
**Total cost:** \$32,000  
**Funding request:** \$15,000

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## **Project Summary:**

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The Energy Division recently received a \$15,000 grant from the California Coastal Resources Grant Program to construct a website for disseminating information about offshore oil and gas development to the affected public. This website will be used to inform the public about upcoming events such as hearings. Additionally, this website will provide several fact sheets and information papers about offshore oil/gas development and its relation to the County's economy and environment. Some examples include:

- Schedule of upcoming hearings, workshops, federal or state legislation and rulemaking, and other intergovernmental activities concerning offshore oil and gas leasing and development.
- History of oil and gas development in and offshore Santa Barbara County, including text, photos, graphs and maps.
- Historic and projected rates of oil and gas production in and offshore Santa Barbara County since 1923, presented in graphic form that identifies historic events that led to major increases or decreases in those rates.
- Summaries of each offshore oil and gas project.
- Description of the permitting process for offshore oil and gas projects and related onshore systems.
- Description of mitigation programs associated with oil and gas development, including the Coastal Resources Enhancement Fund, Fisheries Enhancement Fund, and Local Fishermen's Contingency Fund. This hyper-link will also provide readers with an on-line application to apply for funding from these programs, thereby enhancing mitigation of impacts from offshore oil and gas development.
- Description of the effect of offshore oil and gas development on Santa Barbara County property taxes and employment. This fact sheet will clarify an issue that has been subject to misinformation on several occasions.
- Comparison of the effects of natural oil seeps to those of man-made oil spills, which has also been a topic subject to misinformation on several occasions.
- Information on the generation and distribution of offshore oil and gas royalties.
- A review of key market factors that affect oil and gas development offshore California, and its affect on onshore producers.
- Description of risk factors associated with offshore oil and gas development
- A historic review of technological developments associated with oil and gas development in the County.

We are requesting an additional \$15,000 in Coastal Impact Assistance Funds to augment this effort, including funds to develop information not readily available. Providing salient information

to the public about oil and gas development offshore Santa Barbara County meets the authorized use described in section (e)(6) of H.R. 5548: “mitigating impacts of Outer Continental Shelf activities through funding of ... (B) other public service needs intended to mitigate the environmental effects of Outer Continental Shelf activities.”

### **Consistency with Mission and Goals:**

This project promotes that stated mission by providing current information about the development of oil and gas reserves in state and federal waters offshore Santa Barbara County. Public outreach lies at the core of comprehensive and coordinated management of ocean and coastal resources, including offshore oil and gas resources and the environment affected by developing these resources. Among other things, this project helps to educate interested parties about offshore oil and gas development and its affect on the environment, and through such education, promotes public input into the management of California’s oceanic and coastal resources. As such, this project meets all four goals; however, we place it under Goal 1: Stewardship.

### **Estimated Project Budget:**

| <b>Line Item</b>                         | <b>Estimated Expense</b> |
|--|--------------------------|
| Staff salaries (wages + fringe benefits) | \$27,000                 |
| General Services Dept.                   | 5,000                    |
|  |                          |
| <b>TOTAL</b>                             | <b>\$32,000</b>          |

The County has secured a \$15,000 grant from the California Resources Agency’s Coastal Resource Grant Program and \$2,000 from the County’s General Fund. The requested CIAP funding augments this effort.

### **Anticipated Project Schedule:**

We anticipate this project to last no more than one year upon receipt of CIAP funds.